

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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	:	Chapter 11
In re	:	
	:	Case No. 05-44481 (RDD)
DELPHI CORPORATION, <u>et al.</u> ,	:	
	:	(Jointly Administered)
Debtors.	:	
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**SUPPLEMENTAL AFFIDAVIT OF
PRICEWATERHOUSECOOPERS LLP
IN CONNECTION WITH ITS EMPLOYMENT AND RETENTION
AS ACCOUNTANTS AND FINANCIAL ADVISORS FOR THE DEBTORS**

STATE OF MICHIGAN)
) ss.
COUNTY OF WAYNE)

Brian D. Decker, being duly sworn, deposes and says:

1. I am a Partner in PricewaterhouseCoopers LLP ("PwC"), an accounting and financial services firm. I submit this First Supplemental Affidavit on behalf of PwC pursuant to Federal Rule of Bankruptcy Procedure 2014(a) and Rule 2014-1 of the Local Bankruptcy Rules of the Southern District of New York in connection with PwC's retention as accountants and financial advisors to Delphi Corporation ("Delphi"), et al., the debtors and debtors-in-possession in these Chapter 11 cases (collectively, the "Debtors").

2. The disclosures herein relate to matters within the personal knowledge of other professionals at PwC and are based on information provided by them. Such information has been gathered by PwC personnel working under my direction, and, to the

best of my knowledge, information and belief, all such information that has been so gathered is true.

PwC's Retention

3. On June 5, 2006, the Debtors filed an application (Docket No. 4028) (the "Initial PwC Application") to employ PwC to provide assistance to the Debtors in complying with the provisions of the Sarbanes-Oxley Act of 2002 including, but not limited to, section 404 of the Sarbanes-Oxley Act, as well as to provide certain compliance, tax and financial planning, and other general tax consulting services to the Debtors in these chapter 11 cases on the terms and conditions of the Master Professional Services Agreement dated as of March 17, 2006 (the "Master Agreement") and applicable statements of work (the "Statements of Work") between PwC and the Debtors. In support of the Initial PwC Application, the Debtors filed the Declaration of Brian D. Decker, dated June 5, 2006 (the "Initial Declaration").

4. On June 21, 2006, this Court approved the Initial PwC Application and entered the Order under 11 U.S.C. §§ 327(a) and 328 Fed. R. Bankr. P. 2014 Authorizing Employment And Retention Of PricewaterhouseCoopers LLP To Provide Certain Sarbanes-Oxley Compliance, Tax And Financial Planning, And Other General Tax Consulting Services To Debtors Nunc Pro Tunc to January 1, 2006 (Docket No. 4310) (the "Initial PwC Retention Order"). The Initial PwC Retention Order authorized the Debtors to enter into additional Statements of Work with PwC for the provision of additional services under the Master Agreement and the Initial PwC Application, provided, however, that if PwC sought to perform services which were not covered by the

Master Agreement and the Initial PwC Application, the Debtors would be required to file a supplemental application seeking court approval for the performance of such additional services.

5. On December 20, 2006 the Debtors filed an application for a supplemental order under 11 U.S.C. §§ 327(a) and 328 and Fed. R. Bankr. P. 2014 expanding the scope of its retention of PricewaterhouseCoopers LLP (“PwC”), nunc pro tunc to December 15, 2006. Specifically, Delphi proposed to retain PwC to perform due diligence services for Delphi to facilitate due diligence by plan investors working with the company to facilitate its emergence from chapter 11. In support of the supplemental order, the Debtors filed the Declaration of Colin Wittmer, dated December 29, 2006 (the “Supplemental Declaration”).

6. On January 18, 2007, the Court entered the supplemental order expanding PwC’s retention and allowing PwC to perform additional Statements of Work (the “Supplemental Retention Order”).

Supplemental Disclosure – New SOWs

7. The Debtors have requested services from PwC which are within the scope of services approved by the Court in the Retention Order and Supplemental Retention Order but which were not the subject of previous engagement letters or Statements of Work between PwC and the Debtors. Specifically, Delphi and PwC have expanded the Sarbanes Oxley 404 Testing, due diligence services and tax projects for Delphi. These

new Statement of Work agreements are within the scope of services previously authorized by the Court in the Retention Order and the Supplemental Retention Order.

Supplemental Disclosure – Platinum Equity/Delphi Steering

8. On January 30, 2008, PwC entered into an agreement with Platinum Equity to provide services, as described within *Exhibit A*.¹ Attached as ***Exhibit A*** is the Scope of Services to be provided by PwC to Platinum Equity. Platinum Equity is under contract to acquire Delphi Steering from Delphi. Generally, the services described more fully in ***Exhibit A*** fall into three categories: (1) Human Resources transition services; (2) regulatory filing and financial reporting services; and (3) tax services.

9. PwC has instituted an ethical wall between any person who has worked on any Delphi matters and anyone working on the Platinum matter, such that no information sharing or other discussions between such individuals will occur, and that no one who has worked on any Delphi matters will work on the Platinum matter.

10. PwC's understanding with Delphi and Platinum is that in the remote event a conflict arises in connection with any work PwC is performing for Platinum, PwC will cease to perform services or otherwise represent Platinum on that matter but will not cease to perform any services for Delphi as a result of such conflict and will, if Delphi requests, continue to represent Delphi with respect to the affected matter.

11. As described in the Initial Declaration and the Supplemental Declaration, PwC maintains procedures on an ongoing basis to evaluate its connections with parties-in-interest in the Debtors' chapter 11 cases. PwC's identification of material

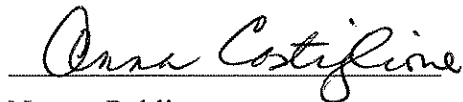
¹ On February 8, 2008, PwC and Platinum Equity executed an engagement letter.

relationships is ongoing. The results of such ongoing efforts have revealed no additional relationships which could potentially result in a conflict. If and when additional information becomes available with respect to any other relationships which may exist between PwC and the Debtors, creditors, or any other parties-in-interest which may affect these chapter 11 cases, supplemental declarations describing such information will be filed with the court.



Brian D. Decker

Sworn to and subscribed before me
this 11th day of March, 2008



Notary Public

State of Michigan

ANNA CASTIGLIONE
NOTARY PUBLIC, STATE OF MI
COUNTY OF MACOMB
MY COMMISSION EXPIRES Oct 10, 2011
ACTING IN COUNTY OF Wayne

EXHIBIT A

SUMMARY OF SERVICES

PricewaterhouseCoopers may assist Platinum Equity with the following services (the "Services") related to the purchase of Delphi Steering from Delphi:

HR SERVICES

- ☐ Compensation/Executive programs
 - Performing base pay, incentive, and total reward benchmarking
 - Plan design and strategy for cash and/or equity related compensation
 - Implementing plans and administrative processes
 - Securing appropriate insurance and other vendor support services
- ☐ Benefits (Retirement, Group Insurance, etc.)
 - Development of plan design and strategy
 - Establishing plans and programs
 - Establishing administrative and actuarial processes, as applicable
 - Perform actuarial valuations
 - Securing appropriate insurance and other vendor support services
 - Establishment of back office support functions needed to administer programs (i.e. banking processes, eligibility file communication with vendors, etc.)¹
- ☐ Employment Transfer/RIF or redeployment
- ☐ Compliance
 - Benefit plan program governance
 - Establishing processes for other required HR compliance areas
- ☐ Unions and Labor Strategy
- ☐ Payroll and HRIS
 - Assistance with the implementation of stand alone payroll and HRIS functions reflecting the output of the in-source/out-source/co-source strategy analysis
- ☐ Communications
 - Employee communications support around the overall implications of the transaction as well as changes to compensation and benefits programs

REGULATORY FILING AND FINANCIAL REPORTING SERVICES

- ☐ Other
 - Advising management on the regulatory filing requirements for its anticipated debt or equity registration statements including:
 - The contents and format of footnote disclosures and other financial reporting prepared by management;
 - The financial reporting schedules included in the registration statement (e.g., Article 11 pro-forma financial statements and Summary and Selected Financial Data); and
 - Other specific financial reporting requirements.²

¹ Executive asset and liability transfer related services shall be excluded from the Services

² Valuation and allocation related services shall be excluded from the Services.

TAX SERVICES

- ☐ Tax Compliance
 - Create a calendar for all required tax filings
 - Assist in the preparation of tax returns and estimated tax payments
 - Assist in the planning for tax registrations, determining which registrations will need to be made and which registrations will carryover from the prior organization
 - Sales & Use Tax
 - Property Tax
 - Payroll Tax
- ☐ Purchase Price Allocation
 - For asset acquisitions, consider the impact of a stepped up basis in finalizing the purchase price allocation on an asset level basis
- ☐ Financial Reporting
 - Provide tax accounting assistance for internal and external reporting purposes
 - Assist in the identification of opening deferred tax assets and liabilities
 - Identify the existence of any tax holidays in foreign jurisdictions
 - Assist in the identification of uncertain tax positions and the regulatory reporting requirements for such items in accordance with FIN 48
- ☐ Income & Franchise Tax
 - Assist in the review of pre-close tax return filings and workpapers to address issues that will impact the new organization and identify potential tax attribute carryovers
 - Planning around federal tax issues and optimizing the tax position, including a focus on tax credits, transaction costs and advisor fees
 - Assist in updating the fixed asset computations for the new tax values and lives
- ☐ Value Added Tax (VAT)
 - Confirm appropriate VAT number set up
 - Complete VAT returns and settle liabilities
- ☐ On-going Support
 - Identify and share "best practices" for your internal processes and procedures related to the tax function
 - Assist in transitioning recurring responsibilities to the in-house Chief Tax Officer and other tax department staff once employed
 - Assist in securing appropriate software systems and applications to manage the tax reporting requirements
- ☐ Other Tax Planning and Consulting Services³

³ Transfer pricing related services shall be excluded from the Services